Law Commission.

12. I shall now turn to certain matters relating to the internal administration of the State. It is partly as a result of our commitments under the Harbour Agreement and partly with a view to make our laws up-to-date that the Law Commission was appointed sometime back. I am now glad to inform you that the Commission has practically completed its work. The scrutiny of the Statute Laws of the State by the Law Commission showed that in spite of the brisk legislative activity a very large number of enactments of the State need revision, and further that there were wide legislative gaps in certain fields of law. The activity of the Law Commission ranged over a very wide field but attention was concentrated particularly on maritime, mercantile, commercial, labour and criminal legislation in view of their application to the Port area. Where the amendments to the existing enactments were found to be numerous and far-reaching, they are being revised by consolidating and amending enactments, while in other cases the existing enactments are merely amended. The Law Commissioner submitted altogether 85 drafts. Of these the enactments of 60 drafts have been approved by Government. 22 of the drafts proposed by the Commissioner were found to be related to personal law and it was thought advisable to enact them as occasions arose through the usual procedure of being passed through the Legislative Council. 3 drafts proposed by the Law Commissioner relating to the Merchant Shipping Act, Air Craft and Carriage by Air, involved an amount of technical and special knowledge, and are therefore pending the consideration of Government. All the enactments of the State have been consolidated by the incorporation of the amendments in their appropriate places and the addition of foot-notes explaining them. It is proposed to issue the entire Statute law of the State in five handy volumes which will be available to the public before long. In addition to the publication of the Statute law, the work of consolidating the rules and notifications issued under the various enactments is engaging the attention of the Law Commission, and it is proposed to issue these rules as companion volumes shortly. It will thus be seen that before long the entire Statute law of the State would have been brought up-to-date, the legislative lacuna would have been filled up and copies of all the enactments available to the public in a handy form.

Land Mortgage Bank.

13. I shall now turn my attention to certain schemes of amelioration and development. The two ameliorative measures

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intended for the relief of agricultural debtors are the Land Mortgage Bank and the Debt Conciliation Board. The Executive Committee of the Bank have so far sanctioned 227 loan applications amounting to Rs. 3,80,000. Of these, mortgage deeds have been executed in 177 cases amounting to a total loan of Rs. 2,95,000. The delay in the execution of the deeds by the applicants seems to be due to the fact that, the full amount required to satisfy the creditors not having been sanctioned by the bank, some time is taken in effecting a negotiation between the creditor and the debtor with a view to satisfy the creditor with the amounts sanctioned by the bank. This delay may therefore be considered as a sort of process of debt conciliation, and viewed from this point the arrangement seems to be satisfactory. The total number of loan applications received so far is 595 involving over Rs. 12 lakhs. Government transferred to the bank 132 mortgages of the Special Loan Department amounting to Rs. 2,29,000. The total number of Share-holders of the bank is 1,162 and the paid-up Share Capital Rs. 68,950.

14. The outstanding event in the transactions of the bank in the current year is the issue of debenture bonds guaranteed by Government. The bank obtained the approval of Government to float the first series of debentures for Rs. 5 lakhs at 4 per cent interest free of the State Income-tax. Though these debentures are free of income-tax so far as the investor is concerned, the bank has undertaken to pay to Government the income-tax involved in this transaction. The list for the debentures was opened on the 2nd July and immediately applications to the extent of Rs. 20 lakhs were received. It is very gratifying to note that the first issue of debentures by the bank has met with such phenomenal success. As a result of the success of this issue one can entertain the hope that there is sufficient capital in the State which can be mobilised for the purpose of bringing relief to the agricultural debtors. The greater part of the debentures have been allotted to private parties and institutions within the State.

15. Though Government have lent their whole-hearted support to the bank and have helped them in many ways the ultimate success of the bank will depend on the interest taken by the leading men in different parts of the State and the integrity and honesty of the borrowers. The debtors are given facilities for repayment in the course of 20 years and unless this obligation is scrupulously fulfilled by the borrowers the affairs of the bank will get into difficulties. In the first year of the working

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of the bank there have been seven cases of complete default and 25 cases of partial default. Though the amounts involved in these cases are small it is important that the leading men in the State should take a voluntary interest in the operations of the bank and impress upon the borrowers the need for promptly meeting the annual obligations for repayment.

Debt Conciliation.

16. The Debt Conciliation Regulation has been brought into operation in the State. This is in a large measure a natural corollary to the establishment of the Land Mortgage Bank. Most of the agricultural debtors are indebted so heavily that it is not possible for any sound banking institution to advance on the security of the properties the entire amount covered by the debts. There has to be naturally therefore a process of conciliation, and it is hoped that the work of the Board will achieve this result. The fact that the Board will operate only in three taluks of the State need not cause any discouragement to the inhabitants of other taluks. The whole machinery of debt conciliation is new, and experience alone can show the difficulties and dangers involved in this process. It is with a view to gain the requisite experience that the operations of the Board have for the present been confined to a part of the State. Honourable Members may rest assured that if this experiment is found successful at the end of the year, boards will be established for the other parts of the State also.

Uplift work.

17. The work done in the Department of the Protector of the Depressed Classes is one of the most outstanding ameliorative measures undertaken by Government. For well over a decade attention has been devoted to the question of the uplift of the depressed classes in the State. The provision of facilities for education to the children of these classes, and the provision of house-sites and buildings for their habitation are the two main items of work in this direction. Conscious of the fact that it is by advancement in education alone that the status of these unfortunate communities can be raised and their disabilities removed, Government have been consistently following a policy of affording greater and greater facilities in this direction. The success of our policy can be demonstrated by the fact that to-day very nearly 70 per cent of the children of these communities of school-going age are receiving education. While three years ago the total number of boys and girls of the depressed

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